Local Government Handbook
Chapter 2: Administration of City Government
Section 1: Administrative Procedures (revised 12/03/03)

Examples

ADMINISTRATIVE PROCEDURES

INTRODUCTION

Community residents rely on their local governments to be fair, consistent, and efficient in providing basic services (such as police and fire protection, water and sewer services, and road maintenance); regulating activities (such as land use regulations and alcohol local options); and taxing or charging for services (such as property and sales taxes and/or user fees). Every local government has certain formalized rules and procedures to help it function efficiently and in a dependable manner. Some of the rules and procedures set out might include:

- How the staff is administratively organized, i.e. who reports to whom.
- What each employee's basic job duties are.
- How purchases are made.
- How records of financial transactions are kept.
- How non-financial records are maintained.
- How communications are conducted between employees and the governing body.
- How communications are conducted between employees and the general public.

Some formal rules and procedures that are set out in state laws or in ordinances, resolutions, or by-laws adopted by the governing body will govern even the operations of a local government that has only two or three employees. The local government's ordinances or resolutions may include rules and procedures that govern, for example, purchasing, the acquisition and disposal of municipal property, municipal finances, financial and other reports to the governing body, and personnel management.

For municipalities, some of the topics covered by state law are: the duties of key municipal officials, the rules of procedure for meetings of the governing body, the municipality's basic organizational structure, elections, and conflicts of interest.

The **chief administrator** may administratively establish rules and procedures in addition to those that are set out in state and local laws. Typically, these are more detailed and focused on the day-to-day operations of the organization. These administratively set rules and procedures may cover many of the topics listed above, along with other activities such as: handling incoming and outgoing mail; filing letters, memos, records, reports, and other documents; handling employee time records and payroll; and communications within and outside of the organization.

In order to avoid confusion or conflicting interpretations, the chief administrator's rules and procedures should be written out; however, some may be established informally through oral communications and the administrator's direct supervision of staff activities. The written rules and procedures for operations may be compiled into an **"Administrative Procedures Manual."**

How effective unwritten rules and procedures are depends on the organization having a small, talented staff with little staff turnover. The administrator needs to be sufficiently involved in supervising the staff to provide the instruction as needed, and to modify administrative procedures when changes require it.

Without written rules and procedures, the staff has to remember the administrative procedures and know the state and local laws affecting an activity. This creates problems for a new administrator who must rely on staff to explain the established rules and procedures. It also creates problems for staff because unwritten guidelines are subject to change by a new administrator that doesn't have a clear understanding of how and why things are done.

Changes that are not communicated effectively or without enough thought about how they will affect the organization could cause problems for staff and the public and might, on occasion, result in legal problems or financial risk. Even very small local governments should consider the benefits of a written administrative procedures manual.

Sample Benefits of an Administrative Procedures Manual

Written rules and procedures reduce the chance of mistakes caused by forgetfulness, misunderstandings, or misinterpretations. Some types of mistakes, such as an unfair personnel practice or failure to properly document certain personnel actions, could expose the organization to legal problems. Other problems, such as mistakes in purchasing procedures, could cause unnecessary losses and still other procedural mistakes could cause problems such as council actions or election results being voided. Following are additional reasons to have a formal written procedure:

- It can be given to all employees and to members of the governing body, who should also be familiar with the organization's rules and procedures.
- Combining this information into one document reduces the time needed to get to know what the rules and procedures are.
- Written rules are easier to always use.
- Written rules provide for stability when there is staff turnover.
- Written rules can be used to train new employees.
- Written rules can help a new chief administrator to adjust to the job effectively.

Sample Outline of an Administrative Procedures Manual

I. Introduction
   A. How to use and update the manual

II. Organizational Structure
   A. Organization's history, data, and purpose
   B. Flow chart of officers and employee chain of command

III. Personnel Policies
   A. Hiring and termination procedures
   B. Benefits and leave
      1. Authorized vacations
      2. Sick leave policy and procedures
      3. Annual leave policy and procedures
      4. Retirement and other benefits

        5. Insurance
    C. Job descriptions
    D. Grievance procedures

IV. Officials
    A. General
        1. Oath of office
    B. Governing Body
        1. Duties and procedures of office
        2. Meeting procedures
    C. Chief Administrative Officer
        1. Duties and procedures of office
    D. Clerk/Treasurer
        1. Duties and procedures of office

V. Boards and Commissions

VI. Departments and Functions
    A. Administration
    B. Accounting and Bookkeeping
    C. Public Safety
        1. Police
        2. Fire
        3. Emergency Preparedness
    D. Health
    E. Public Works
    F. Parks and Recreation
    G. Public Relations

VII. Forms

XI. Filing Procedures and Records Retention Schedule

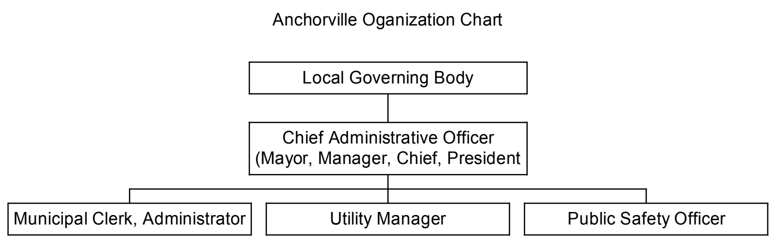
X. Purchasing Policies

THE ADMINISTRATIVE PROCEDURES MANUAL

The following information outlines major elements that a municipality might include in its administrative procedures manual, how to use the manual, who should receive copies, and how the manual will be revised:

1. Organization

This section of the administrative procedures manual sets out the "Organization Chart." The chart simply shows the lines of authority within the administration. In the sample organization chart shown, the lines of supervision and authority are defined. The chart is organized around major areas of responsibility and positions, rather than specific individuals. When an individual leaves employment, or is transferred to another job assignment, the organizational chart remains the same, unless there are other reasons to change it.



2. Personnel Policies

State law provides that a municipal governing body may provide for a personnel system (AS 29.20.410). This system can be formalized in the laws of the governing body or incorporated into the administrative procedure manual. The following is an outline of policies that typically are included in a personnel system. For more information and examples, see Chapter 2, Section 3, "Personnel Management."

Hiring and Termination Procedures – This sets out how individuals will be hired, including the hiring process, and how individuals will be terminated or laid off.

Benefits and Leave

- Official holidays - This includes the number of paid holidays observed by the organization, a list of them, and the date the holiday is observed.
- Sick leave policy and procedures - This directs how sick leave days will be calculated for each employee, and allowable uses.
- Annual leave policy and procedures - This directs how many days of annual leave each employee is allowed; how to schedule the leave; what happens to annual leave if an employee is terminated or resigns.
- Subsistence leave – Due to unique circumstances in Alaska certain organizations provide unpaid subsistence leave for employees. This clarifies if subsistence leave is allowed, how much is allowed, and how it can be used.
- Retirement and other benefits - This explains any retirement program, including the federal social security system, provided for employees. Also, any other benefits, such as life and health insurance that employees may receive.

Job descriptions - Job descriptions make it clear what the job duties and expectations are for each position.

Grievance procedures - This establishes the appeal procedures for employees who have been disciplined, suspended, or terminated.

3. Elected and Appointed Officials

The following is an outline of topics that are covered in the "Elected and Appointed Officials" section of an Administrative Procedures Manual. For additional information on this topic, see

Chapter 1, Section 2, "Organization of City Government – City Officials."

General information - This sets out the oath of office for elected officials and how it will be administered.

Governing Body - This sets out the size and composition of the governing body; the qualifications, election, duties, term of office, compensation of members; and meeting procedures. (See Chapter 1, Section 3, "Organization of City Government – City Council Meetings," for information on meeting procedures.)

Chief Administrative Officer - This sets out the duties and compensation of the chief administrative officer.

Municipal manager - If a municipality has the manager form of government, the appointment, qualifications, duties, and compensation of the manager are set out here. If it does not have the manager form, the mayor is the chief administrative officer and performs these duties.

Clerk/treasurer - The appointment, qualifications, duties, and compensation of the clerk and treasurer.

3. Boards and Commissions

This sets out the appointment, membership, term, compensation (if any), frequency of meetings, and the responsibilities and duties of any boards and commissions established by the governing body. This describes the responsibilities and duties of boards and commissions and informs the organization's staff what actions must be reviewed and approved by the boards and commissions. It also informs the general public on what each board or commission is charged to do and what its regular meeting schedule is. (See Chapter 4, Section 1, "Planning and Land Management – Community Planning," for information on planning commissions.) Following is an example:

Harbor Board

Membership: 5 local residents who use the municipality's floats and docks, appointed by the mayor.

Term: 3 years.

Meetings: One meeting per month or at call of the chair.

Duties:

- Advise the mayor and governing body on all matters affecting the use of the municipality's floats and dock facilities.
- Review and recommend changes in the user fee rates and collection for use of the facilities on an annual basis.
- Prepare annual recommendations for facility-related capital improvements.

4. Meetings

Meetings are a frequent way that municipal officials work with each other and with the general public. The rules of procedure for meetings are set out separately under a separate heading of the manual. This section sets out basic rules of procedure for other meetings also, including board and commission meetings and departmental meetings. The state's Open Meetings Act, AS 44.62.310, should be reviewed when developing these rules and procedures.

5. Departments and Functions

This includes all of the organization's departments. Information provided should include the duties and responsibilities of each department, an organization chart showing the lines of authority within each department, and a description of how each department relates to and interacts with other departments.

6. Forms

This includes descriptions or examples of legal forms used by the city and a description of how each is used. Forms might include the formats of ordinances and resolutions, proclamations, certificates, applications, permits, and licenses.

7. Filing Procedures and Records Retention

These include the procedures used to store files and records and how to make them easy and quick to find. These procedures should also include a records retention schedule that provides for the permanent retention of certain records, and limited retention periods for others. Records management procedures are discussed in more detail later in this section.

8. Purchasing

These procedures designate the purchasing agent and set out how purchasing shall be done. Also, they cover when competitive bidding shall be used, emergency purchases, and the use of the petty cash fund. (For more information on purchasing, see Chapter 3, Section 4, "Financial Management – Purchasing.")

Sample Process for Preparing an Administrative Procedures Manual

Developing an administrative procedure manual is not hard, but it should be done in an orderly process that is followed for all parts of the manual.

Step 1: Form a committee to take charge of development of the manual. The committee might include the chief administrative officer, members of the governing body, the clerk, the personnel officer, and community residents who have a strong interest in or knowledge of administration. Assign a staff member to the committee to collect information and draft procedures.

Step 2: The committee researches how the organization is administered by surveying department heads and key employees on job responsibilities, supervisory structures, and administrative procedures.

Step 3: It is a good idea to get Administrative Procedures Manuals from similar sized communities as examples.

Step 4: Collect administrative rules and procedures that are set out in federal and state laws (for example, Fair Labor Law Standards, Title 29, and Open Meetings Act) and local ordinances and resolutions (for example, elections, budgeting, and property acquisition/disposal ordinance).

Step 5: Identify problems with current operating procedures that should be remedied through new administrative procedures.

Step 6: Consider the information collected taking into consideration the unique needs and goals of the organization and staff in determining the contents of the manual (for example, the need for staff to have subsistence leave).

Step 7: Prepare a draft report containing the committee's recommendations and the reasons supporting the recommendations. Present this report to the governing body at a public meeting for their review and comment. Invite the public to comment on the draft. If requested, local government assistance staff of the Department of Community and Economic Development may review the committee's work.

Step 8: Prepare a final report after all comments and suggestions have been considered. Present this report to the governing body for adoption.

PREPARING AND ADOPTING AN ADMINISTRATIVE PROCEDURES MANUAL

Every organization is different and a set of administrative procedures developed for one may not address the needs of another. Reviewing administrative rules and procedures used by communities similar in size and character to your own is a good way to begin the process of developing an administrative procedures manual. Also, it is important to look at how your organization is currently operating and identify any problems in the existing procedures. The staff is a primary source for this information and should be involved in some way in preparing the procedures manual.

The manual should be reviewed by an attorney before formal adoption, if possible, to ensure that it conforms with applicable federal, state, and local laws and regulations. If this cannot be done, it is a good idea to request review and comments from local government assistance staff of the Department of Community and Economic Development. Once the draft manual is finalized, the governing body formally adopts it.

The rest of this section presents information about operating an office. The subjects covered involve administrative procedures that are not discussed in other chapters of the Local Government Handbook.

RECORDS MANAGEMENT

Every municipality is required to keep certain records and, when requested, must make them available to the public. Equally important is managing records that are used in the day-to-day operations so they are easy to access.

The term "records management" refers to the procedures used to maintain and dispose of an organization's paperwork and records. A good records management system is one of the most important elements of a well-run organization. The key elements of records management are filing and records retention.

1. Filing

Filing is the arranging and storing of materials so that they can be found quickly. There are five basic methods of filing. These methods are: alphabetical, numerical, geographical, chronological, and subject. Most small communities use the subject method, the alphabetical method, or a combination of the two. The following information concerns these two methods, in particular the subject filing system.

Subject filing is used as a filing method whenever it is important to have all material relating to one main subject grouped together, instead of separated throughout the filing cabinet by alphabetized names. Each subject is placed as a heading on a file guide. File folders that have something to do with a subject are arranged alphabetically behind the file guide.

Alphabetic filing is a simple method of filing. Files are divided alphabetically into sections, with a file guide for each section. File folders are located alphabetically by title behind the file guides. One file folder per section is reserved for miscellaneous material.

Establishing a Subject Filing System

The following steps explain how to set up a subject filing system:

1. The first step in developing a subject filing system is to determine the subject groups. Look at the records and decide what categories they fall in. The number of subject groups depends on the amount of records involved. The following are typical record groups found in most local governments.

    - Managerial - These records track important correspondence and activities having to do with management of the organization.
    - Financial – These records document and track financial transactions and budget and audit information.
    - Legal – These records document the legal transactions and obligations of the organization.
    - Operational – These records provide information on current operations of the organization.
    - Historical – These records contain information explaining past events having to do with the organization.

2. After identifying the main subjects, break down each subject category into sub-categories, such as.

   Managerial
      - Correspondence
      - Current Project Files

   Financial
      - Accounts Receivable (Customer Records)
      - Accounts Payable
      - Budgets
      - Audits
      - Financial Reports
      - Payroll Records
      - Current Grant Files

   Legal
      - Land Records
      - Contracts
      - Agreement
      - Employee Files

   Operational
      - Buildings
      - Equipment

   Historical
      - Council Meeting Minutes
      - Photos

3. After broad main record groups have been determined, the next step is to break down individual record groups into major subject headings. The same procedure used in step 1 and 2 is used, except the focus is more narrow. For example, the major subject "Correspondence" might include these subject headings:

   - Federal Agencies
   - State Agencies
   - Village and Regional Corporations
   - Legislature, State
   - Business and Corporations
   - Cities and Boroughs
   - Miscellaneous

4. Depending on the size and number of records involved, a method of separating both the record groups (step l) and the individual subject headings (step 3) should be determined. For example, if there is a lot of correspondence, it is best to separate the correspondence record group from the other record groups by reserving an entire file drawer for these records. This would create the first division. The next step would be to select a method for separating the subject headings. This could be done by making subcategories for each subject heading. For example, "State Agency, Correspondence" could be further separated into "Department of Community and Economic Development," "Department of Transportation," etc.

5. Write out a list of all of the group and subject headings with subcategories. Leave extra space on the list so that you can write in notes and reminders to yourself. This list of files arranged by headings will reduce problems such as information not going in the correct file or duplicate files. Also, this list will become the draft copy of the file index.

6. After creating the file folders, sort through the records. Stack materials into orderly piles according to their subject headings. After sorting, you may need to further separate the materials because of the amount of material. For example, "State Agency, Correspondence, DCED" may need to have headings for "Rural Utility Business Advisor," and "14(c)(3) Assistance," etc. In this case, make new subject headings and file folders for the materials. More subject headings can be made if needed. Again, the number of times that record groups are subdivided depends on the amount of material per group.

7. Place each pile of sorted material into the appropriate file folder. Examine each file closely to make sure it is in the right folder.

8. The final step in preparing the file system is to arrange all file folders alphabetically behind each subject heading.

Having established a filing system, the next task is maintenance.

Controlling a File System

For any system to function correctly, a certain amount of attention must be given to controlling the system. Following are a few recommendations for file system control:

- Assign one person responsibility for the files. With one person given the responsibility of maintaining the file system, the chance for error is reduced. It is a good idea, as double protection, to assign someone to supervise the person in charge of filing and to spot check the system periodically for accuracy.
- As protection against the effects of employee turnover, it is wise to make sure that more than one person knows how to maintain the filing system and/or can train someone to do so.
- Develop a **filing index** by making a list of all subject headings and all files. Post this list on file cabinets where it is visible at all times. When a new file or subject heading is added to the system, update the filing index.
- Every file system should have a control mechanism that allows new employees or officials to use and maintain the files without help. The best way to do this is to write out the instructions in a filing procedures manual, or include a section on filing procedures in the organization's administrative procedures manual.
- Keep a monthly and annual reading file of letters written by staff. This file is used as a quick way of keeping track of what happened during the month.

  Near the end of a calendar year, assemble all monthly reading files into an annual reading file and store it with the inactive files. Since business generally crosses over calendar years, it is a good idea to keep these files accessible.

- Use **out guides.** When removing material from a file folder, if possible, do not remove the folder from the file cabinet. When it is absolutely necessary to remove a file folder, replace it with an "out guide" card giving the name of the file and who has it. An out guide also makes it easier to put the folder back correctly when returning it.

2. Retaining Records

"Records retention" is a system that establishes the length of time that different types of records and files should be kept. For example, municipal ordinances should be kept permanently, tax withholding records should be kept for at least four years, and stockroom inventories may be removed from the files as soon as a more current inventory report is available. The purpose of records retention is to prevent the files from growing so large that the system becomes unmanageable, but at the same time, to keep all records that must be kept either for legal reasons or to ensure efficient administration.

The Alaska State Archives publishes a manual called the Alaska Local Government General Records Retention Schedule that can be helpful in setting up a records retention system. To begin, this manual recommends the following steps:

- Assign someone responsibility for establishing a records management system. This is usually the clerk or another official.
- Form a records committee to approve records retention schedules and disposal actions. It recommends that the committee consists of the manager, finance officer, legal counsel, and the person assigned records management responsibility.

The manual suggests retention schedules for nearly 200 types of records.

It is important to make sure the filing system provides for efficient handling of current records (such as records for the current fiscal year), inactive records (records that are no longer current but are scheduled to be retained for specified periods of time), and permanent records. Also, records that are to be thrown away should always be carefully checked to avoid throwing away valuable material.

Once the system is developed, it is important to use it! At the end of each year, move current files that are no longer needed for day-to-day operations to the inactive files and dispose of records that are scheduled to be thrown away.

OFFICE COMMUNICATIONS

1. Handling Mail

Assign responsibility for picking up and delivering the mail on a daily basis. This is usually the clerk. A substitute should also be identified, such as the administrator or other official, for times when the regular person is sick or out of town.

Sort the mail immediately so it can be read and dealt with as soon as possible. If an important piece of mail is received for somebody, the person should be notified if he or she would not normally see it right away. This is especially true of mail to the mayor and/or members of the governing body.

While sorting mail, it should be stamped or marked in ink showing the date and time it is received. This can prove to be very important, especially regarding matters of grants, contracts, and state and federal programs. It is also a good idea for the individual doing the marking to initial the date, especially for more important correspondence.

Somebody familiar with all aspects of the organization's administration, usually the clerk, administrator, or manager, should review and organize the mail. This step is important to make sure that important correspondence is properly routed and acted on timely. If a piece of mail is to be passed on to somebody, their name should be written on the top or a note attached with any instructions for action or consideration.

When reading mail, key points and deadlines should be highlighted or underlined or notes written in the margins. This will assist others who read it and provide for a quick review later, if necessary.

2. Written Communications

Following is an example of a business letter and an office memo.

Sample Letter

All letters have certain features in common. These features help the reader get as much information as possible about the sender and the subject matter. These common features (which are coded by number to parts of the letter shown) are:

1. Date
2. Return address, if not written on letterhead stationary
3. Full name, title, and address of the person being sent the letter
4. Subject, this should be similar to a file heading
5. Greeting, usually with a formal title
6. Reference to date of earlier communication, if any
7. Summary of earlier communication
8. Identification of material that is enclosed, if any
9. Purpose of the letter
10. Main content of letter
11. Identification of contact person
12. Signature, usually above typed name and title
13. Number of enclosures, if any
14. Individuals receiving a copy of the letter

Standard Letter Format

January 10, 2003 **1.**

City of Hargis Point **2.**

Box 6
Hargis Point, AK 99989
(907) 789-3456

Ms. Cecilia Lane **3.**
Planning Supervisor
Division of Community Advocacy (DCA)
P.O. Box 345678
Juneau, Alaska 99801

RE: Revenue Sharing Cuts **4.**

Dear Ms. Lane **5.**

In your letter of 12/20/02 **6.** you asked for a brief summary of **7.** the likely impacts on the City's FY04 budget if State Revenue Sharing (SRS) was reduced significantly, especially on the City's planning programs.

I have recently prepared a report for the City Council on this issue, which I have enclosed. **8.**

As reported to the Council, SRS makes up a significant portion of our general fund budget. The City's **9.** planning efforts will suffer even more severely if coastal management funds are decreased as well.

10. This issue is important to all local governments, and the City would welcome the opportunity to discuss it in greater detail with you. Perhaps you could arrange a workshop in Juneau for this purpose and invite all Southeast cities to participate.

Sincerely,

John Prokopeoff **11.**
City Manager **12.**

Enclosures: (1) **13.**

cc: Mayor **14.**
City Council members

Sample Memo

A memorandum – memo – is a more informal communication, usually to other people within the organization. A memo can be more brief than a letter because it is more informal and frequently the person receiving it usually knows something about its contents.

Memos can be handwritten on pre-printed forms, or typed on forms that are usually included with most word processing programs. A memo saves time while encouraging good communication and provides a document trail.

Date:	1/20/02
To:	Toni Atak, City Administrator
From:	Rae Bethka, City Clerk/Treasurer
Subject:	New computer software

I called Scott Ruby, DCA RUBA, today about recommendations for software to assist with our utility management. He said he would mail some information that he has next week, as he will be out of the office the rest of this week. He recommends either Fastnumbers Pro or Quicker and the cost estimate ranges from $500 to $1,000.

I will forward the information to you as soon as it arrives.

cc: Equipment purchase file

3. **Telephone Communications**

The telephone is one of the most common forms of business communication. It is important to remember that significant conversations should be followed up in writing to confirm what is said.

Sample Rules for Using the Telephone

Rule 1: Plan the conversation before calling. Jot down the major points before calling and follow them when talking.

Rule 2: Identify yourself immediately.

Rule 3: State the main purpose of your call.

Rule 4: Speak clearly so you can be understood and ask the other person to repeat themselves if you did not hear or understand them.

Rule 5. Write down the major points as they are discussed. Keep a notepad and pencil/pen by the phone at all times.

Rule 6: Repeat back to the person on the other end of the line the main points of the conversation. This is to ensure that both parties are ending the conversation with the same understanding and information.

Rule 7: Summarize in writing immediately. This will make it easier to write any memos documenting the call.

Rule 8: Log the call. This is critical for documentation.

Rule 9: Follow through with any activity needed.

Rule 10: Always take a message if a call is for someone else.

4. **E-Mail Communications**

E-mail is becoming one of the most common forms of business communication and it combines the speed of the telephone while also providing a written record.

Sample Rules for Using E-Mail

Rule 1: Use the Subject Line to define the purpose of the message. With so many unsolicited messages being received, it is helpful to be able to identify quickly whether the message is concerning a topic of interest. Some people will delete messages that arrive without a subject, because those messages may include a virus.

Rule 2: Write clearly so you can be understood. Without seeing body language and hearing the voice, communication is more difficult.

Rule 3: Answer e-mail promptly. If you will be away from your office for a while, set up a vacation message to let people know you are not available and when you will return.

Rule 4: When replying to a message, only leave in the parts of the previous message that are necessary for the reply to be understood.

Rule 5. Identify yourself in the body of the message. Often e-mail addresses are difficult to match with a particular person.

5. **Communications with Agencies**

Most local governments communicate frequently with state and federal agencies. To ensure the contact produces the desired result, good communication with these agencies is important.

Guidelines for Communications with Agencies

Rule 1: Always identify yourself and your position in the organization.

Rule 2: Provide a brief but full description of your organization.

Rule 3: Clearly state the purpose of the letter, phone call, or assistance request.

Rule 4: Be brief but complete. Stay to the point.

Rule 5: Always review all written communication before sending to make sure the form is right and it accomplishes the intended purpose.

Rule 6: Always keep a copy of written correspondence or communication with an outside agency.

Rule 7: Keep track of communications and follow up on them regularly if you do not receive a response.